

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 93-472-C - ORDER NO. 95-834✓  
APRIL 5, 1995

IN RE: Application of STS Networking Systems, )  
Inc. d/b/a Scott Communications for a ) ORDER  
Certificate of Public Convenience and ) GRANTING  
Necessity to Provide Store and Forward ) RECONSIDERATION  
Telecommunications Services on a Local, )  
IntraLATA, and InterLATA Basis Within )  
South Carolina. )

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the Petitions for Rehearing and/or Reconsideration filed by the South Carolina Telephone Coalition ("the SCTC") and BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell") (collectively referred to as "Petitioners"). For the reasons stated below, the Commission has determined that the Petitioners' Petitions for Reconsideration should be granted.

On February 28, 1995, the Commission issued its Order No. 95-550 which approved the Application of STS Networking Systems, Inc. d/b/a Scott Communications ("Scott") to use store and forward technology to provide intraLATA and interLATA 0+ collect and credit card telephone service. Order No. 95-550 denied Scott's request to provide local 0+ store and forward services.

By their Petitions for Rehearing and/or Reconsideration, both the SCTC and Southern Bell assert error by the Commission for citing testimony of Joe Hutchinson that "Scott's phones would

provide access to the LEC operator in the identical way that LEC payphones currently provide this access, i.e. by simply dialing '0'." Order No. 95-550 at p. 5. Southern Bell asserts that "[t]his finding ignores the testimony of Ms. Cowart and Mr. Holladay that utilization of store and forward technology would completely preclude any customer using a Scott payphone from utilizing a LEC to complete a 0+ call." Southern Bell Petition at p. 5. The SCTC states that

[t]he Commission erred in failing to distinguish between 0- and 0+ intraLATA calls and in overlooking the fact that, while a customer may reach a local exchange company ("LEC") operator through a Scott pay telephone by dialing 0-, a customer cannot directly access a LEC operator under Scott's proposal for a 0+ intraLATA telephone call, no matter how much that customer may desire to do so. Hence, Scott does not, as the Commission concluded, "provide access to the LEC operator in the identical way that LEC payphones currently provide this access.

SCTC Petition at p. 2.

The Commission agrees with the Petitioners that store and forward technology precludes a customer from accessing a LEC to complete a 0+ call. The testimony of Mr. Hutchinson cited in Order No. 95-550 reveals that a customer using a store and forward phone could only reach the LEC operator through a 0- call. Clearly, the evidence from the hearing established that a customer would be precluded from completing a 0+ call through a LEC from a pay telephone equipped with store and forward technology. Testimony from witnesses Cowart and Holladay established that there is no possible way for a customer to "dial around" a store and forward phone to use a LEC to complete the 0+ call. The only method for a

customer to complete a LEC assisted call from a store and forward pay telephone is to make a 0- call which causes the customer to incur the higher charges associated with the 0- calls. Furthermore, the LEC would be essentially barred from providing 0+ intraLATA services from Scott pay telephones.

On reconsideration of this matter, the Commission is disturbed that approval of store and forward technology prevents the customer from reaching the LEC to complete a 0+ intraLATA call. Scott, in its Supplemental Memorandum in response to the Petitions for Rehearing and/or Reconsideration, acknowledges that "store and forward authority can only work by allowing all 0+ intraLATA calls to be handled by the store and forward provider, to the exclusion of the LEC." Scott's Supplemental Memorandum dated March 31, 1995, p. 2. This exclusion of the LEC from completing 0+ intraLATA calls from store and forward phones, even if the customer desired to use the LEC to complete his call, causes the Commission to re-examine its prior order, and conclude that this exclusion is a substantial problem for the consumers of South Carolina, which should not be allowed.

The Petitioners also argue that Order No. 95-550 fails to follow earlier Commission policy and precedent, which favors the provision of 0+ intraLATA traffic by the LECs. In their Petitions for Rehearing and/or Reconsideration, both the SCTC and Southern Bell oppose the waiver of the Commission's Guidelines for Operator Service Providers which Scott requires in order to provide store and forward services. The testimony from the hearing established that the Commission Order which approved the Stipulation and

Agreement setting forth the Guidelines for Operator Services Providers was dated June 28, 1993, and that the Stipulation was signed by counsel for the South Carolina Public Communications Association (SCPCA), of which Scott is a member. Further, the Stipulation to which the SCPCA, and impliedly Scott as a member of the SCPCA, agreed provides in part that "[a]ll 0- and 0+ local and intraLATA toll consumer dialed calls shall be routed to the local exchange company. Commission Order No. 93-534, Attachment 1 at p. 2. Approval of Scott's Application to provide store and forward services requires a waiver of a portion of the Agreement and Stipulation which was approved the month before Scott initiated the present action.

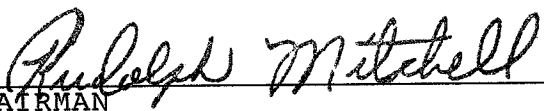
The Commission agrees with the Petitioners that such a waiver is not appropriate and should not be granted in this proceeding. The testimony of witness Stewart, President of the SCPCA, disclosed that a significant number of SCPCA Members are interested in providing store and forward services. A waiver of the OSP Guidelines as requested by Scott (i.e. that intraLATA 0+ calls would not be routed to the LEC) would establish a precedent which is tantamount to a modification of the OSP Guidelines. The results of such a waiver of the Commission approved OSP Guidelines would have ramifications for customers and the LECs far beyond the impact of this isolated proceeding, and the Commission believes and concludes that any waiver which results in a possible modification with such far reaching consequences should be properly handled in a rulemaking or generic proceeding.

Based on the above stated reasons, the Commission determines

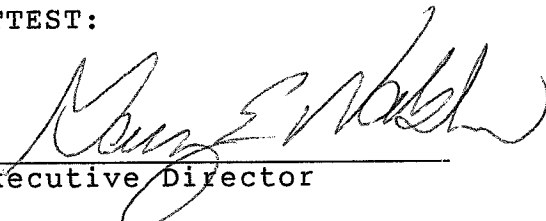
that the Petitions for Rehearing and/or Reconsideration filed by the SCTC and Southern Bell should be granted. Upon reconsideration, the Commission holds that Scott's Application to provide store and forward service must be denied. The inability of a consumer to complete a 0+ call by means of the LEC on Scott's pay telephones is a serious enough problem to mandate this result in its own right. However, inadvertent modification of the OSP Guidelines is also an undesirable result. Denial of the Application is therefore in order.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Deputy Executive Director  
(SEAL)